Vijayanagar Steel in Karnataka

1148. SHRI M. BASAVARAJU: Will the Minister of STEEL AND MINES be pleased to state:

(a) the total amount sanctioned for Vijayanagar Steel Plant in Karnataka during the Seventh Five-Year Plan; and

(b) what would be the stage of the said plant at the end of Seventh Five-Yeah Plan Period?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT): (a) and (b) The total plan provision for new steel plants, which include Vijayanagar Steel plant in Karnataka in the Seventh Plan is Rs. 10 crores. With this allocation, it would not be possible to take substantive steps for setting up the plant during the Seventh Five-Year Plan.

Losses suffered by the hotels run by the India Tourism Development Corporation

1149. SHRI J. P GOYAL: Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state:

(a) what is the total loss incurred by the various hotels run the India Tourism Development Corporation in the country and their average occupancy as per the latest information available with his Ministry;

(b) what are the reasons for which these hotels are in bad shape when the hotels in the private sector are making huge profits; and

(c) what steps Government have taken or propose to take to improve the functioning of these hotels so as to attract both demestic and foreign tourists and make them financially viable?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAKAT): (a) The total loss incurred by ITDC hotels was Rs. 55.47 lakhs during 1984-85. The over all occupancy of all the 24 ITDC hotels during April-October, 1985 was 53 per cent.

(b) The main reasons for the losses are:—

Setting up of three new hotels in Delhi, which are under gestation period entailing financial burden on account of heavy interest and depreciation.

Surplus hotel accommodation in certain cities.

Location of certain hotels for purely promotional purposes.

(c) Various steps taken by ITDC to improve the performance and profitability of its hotels are as under:—

Entering into marketing and reservation tie-ups abroad of ITDC hotels for chain use by foreign tourists;

Setting up of ITDC's own travel Agency;

Grant of additional discount to local companies, Travel Agents, Public Sector undertakings etc.;

Introduction of cheap package for domestic clientele;

Promotion of ITDC properties in overseas market through participation in the Travel Trade Forums;

Produc improvement, etc.